



RB9.1.2/31-05-2019

TABLING OF THE 2019/2020 ANNUAL BUDGET

RESOLVED:

1. Council approves the annual budget tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX B.
2. Council approves the annual budget supporting tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX C.
3. Council approves the Quality Certificate signed by the Accounting Officer, as set out in APPENDIX D.
4. Council approves the revised budget related policies, as set out in APPENDIX E.
 - Absenteeism and Desertion Policy
 - Accounting Policy to the AFS
 - Asset Management Policy
 - Borrowing Policy
 - Budget Policy
 - Cash Management Policy
 - Cederberg Risk Management Policy Annex A - rating scalesAmended

- **Circular No 01-2018 – Disciplinary Procedure Collective Agreement**
- **Code of Ethics Policy**
- **Consumer Service Charter - Cederberg LM**
- **Customer Care Improvement Policy**
- **Customer Care, Credit Control and Debt Collection Policy**
- **Development Contributions Policy**
- **E3-Sexual Harassment policy**
- **Education Training and Development Policy**
- **Employment Equity Plan - Cederberg Municipality 2018-2023**
- **Employment Equity Policy**
- **Enterprise Risk Management Policy**
- **Enterprise Risk Management Strategy**
- **EPWP Policy**
- **Finance Management Internship Policy**
- **Fleet Management Policy**
- **Fraud and Corruption Prevention Policy**
- **Fraud and Corruption Prevention Strategy**
- **Free Basic Energy Policy Guidelines**
- **Funding and Reserves Policy**
- **Grants-In-Aid Policy**
- **HIV AND AIDS Workplace Policy**
- **ICT Data Backup and Recovery Policy**
- **ICT Disaster Recovery Policy**

- **ICT Municipal Corporate Governance of ICT - Cederberg**
- **ICT Operating System Security Controls Policy**
- **ICT Security Controls Policy**
- **ICT User Access Management Policy**
- **Indigent Support Policy**
- **Insurance Management Policy**
- **Investment Policy**
- **Job Evaluation Policy**
- **Kollektiewe ooreenkoms rakende Dissiplinere Prosedure**
- **Long-Term Financial Plan Policy**
- **Out of Pocket Expenses Policy**
- **Overtime & Standby Policy**
- **Performance Management Framework Policy**
- **Petty Cash Policy**
- **PPE Procedure 1**
- **Property Rates By-Law Cederberg**
- **Property Rates Policy**
- **Records Management**
- **Relocation Policy**
- **Revenue Enhancement Policy**
- **Risk and Ethics Management Committee Terms of Reference**
- **Risk assessment Methodology**
- **Risk Management Committee Charter**
- **Risk Management Policy**
- **Risk Management Register**

- Risk Management Risk Appetite Framework
- Risk Management Strategy
- Selection of Housing Beneficiaries Policy
- Sexual Harassment Policy
- Social Media Policy
- Special Rating Areas Policy
- Study Aid Policy
- Study Bursary Policy
- Substance Abuse Policy
- Supply Chain Management Policy - Cederberg Municipality –
Amended May 2019
- Tariff Policy
- Travel and Subsistence Allowances Policy
- Virement Policy - MSCOA compliant
- Watermeter Vervangingsbeleid
- Write-Off Policy

5. Council approves the property rates and charges on properties, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in APPENDIX F.
6. Council take note of the Budget Circulars, Dora, Provincial Gazette and approves the Service level standards frameworks, Procurement Plans and Budget Locking Certificate, as set out in APPENDIX G, H, I & J.

Proposed: Cllr. R Pretorius

Seconded: Cllr. J Meyer



VOORSITTER / CHAIRPERSON

31-05-2019
DATUM / DATE



2018/2019

CEDERBERG LOCAL MUNICIPALITY

Indigent Support Policy

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1. INTRODUCTION AND PURPOSE

Based on the level of unemployment and subsequent poverty in the Municipality; there are some households that are unable to pay for their municipal services. In order to ensure these households have access to municipal services, the municipality needs to adopt an Indigent Support Policy to assist.

1.1. Legislative Background

The Cederberg Municipal Council accepts and acknowledges its Constitutional duties and mandate in terms of Section 96 of the Local Government: Municipal Systems Act No 32 of 2000 towards the community/consumers of Cederberg Municipality (WC012).

Council further acknowledges that due to the level of unemployment and consequential poverty in the municipal area, there are households incapable of paying for basic municipal services.

Indigent relieve measures are thus a fundamental requirement that is achievable only within sustainable budgets set by Council as well as support and direction via National Government. Concomitantly, it must be stated that indigent households equally have the responsibility of managing their levels of consumption and that they are responsible for the payment of municipal services that are consumed in excess of the Free Basic Services levels as described in this Policy.

In order to give effect to the foregoing, the Council of Cederberg Municipality has adopted a policy relating to indigence as set out hereinafter.

1.2. Definitions and Qualifications

The introduction of free basic services will ensure that indigent consumers have access to basic services.

“Basic Services” is that level of services delivered by Cederberg Municipality at reduced or at no cost to the Indigent consumer and which the Council has considered reasonable and sustainable within budget constraints.

1.3. Subsidy

Subsidies are granted from external funds, allocated by the National Government as an Equitable Share allocation, to subsidize Indigent households with specified levels of basic services; This is based on a:

- a) Level of income enabling Indigent households to pay for a basic package of municipal services; and/or
- b) Municipal property value that sets the level at which indigent support may be granted.

2. APPLICATION FOR THE INDIGENT SUPPORT POLICY

2.1 Who Qualifies for the Indigent Support

- 2.1.1 Households where the verified total gross monthly income of the total household of the property does not exceed an amount equal to twice the monthly government pension grant will qualify.
- 2.1.2 Households where Public, Municipal servants may reside do not qualify for the subsidy.
- 2.1.3 The identified households will be eligible for a subsidy on general service charges. Therefore 100% on sewerage, 6 kilolitres of water and 50 units of electricity with a maximum to the actual amount as annually determined by Council.
- 2.1.4 In respect of water:
 - 2.1.4.1 Where the supply is metered, a 100% subsidy of water with a concession of up to 6 kilolitres; however, if consumption exceeds 6 kilolitres per metering period (month) the consumer will be charged for actual consumption exceeding 6 kilolitres at normal tariffs; or
 - 2.1.4.2 Where the supply is not metered 100% subsidy on the fixed charge.
 - 2.1.4.3 The provisions of 2.1.3 above are subject to the provision that the consumer agrees in writing that the supply of water to the applicable premises may be restricted by a flow control washer.
 - 2.1.4.4 Flow control washer will not be installed on the supply to communal pipes.
 - 2.1.4.5 The subsidy for the 6 kilolitres of water per month must be implemented by the Council's water services provider within the

water operating budget. No subsidy for water will be paid to the service provider by the Council.

2.1.4.6 In the event of leakages occurring within the registered indigent households; the leak will be repaired by the municipality and the costs for repairs will be debited on the consumers account

2.1.5 In respect of electricity:

2.1.5.1 Where a conventional electricity meter is installed, the first 50 kilowatt units of electricity provided, will be supplied free of charge, the electricity connection to the house will be downgraded to a 20 Ampere connection.

2.1.5.2 Where a pre-paid electricity meter is installed, a token for 50 units of free electricity per month will be issued with the first purchase of electricity for the applicable calendar month, with the provision that no retrospective, or advance issue of a token will be done.

2.1.5.3 Where a conventional electricity meter is installed, all electricity supplied in excess of 50 units must be paid in full in order to qualify for the provision of the free units. The total free units supplied will reflect on the consumers' monthly services account.

2.1.5.4 The supply of the free units of electricity in all instances will be subject to the amount annually determined by the National Government in respect of all services as indigent subsidy per household.

2.1.6 Sewerage:

A subsidy as determined by Council annually per budget processes on the normal single household tariff will be given to the indigent customer on a monthly basis.

2.1.7 Refuse removal:

A subsidy as determined by Council annually per budget processes on the normal single household tariff will be given to the indigent consumer on a monthly basis.

2.2 Conditions of Receiving Indigent Support

2.2.1 The consumer must agree in writing that the supply of water to the premises may be restricted by a flow control washer or other method.

- 2.2.2 A flow control washer or other restriction device may be installed at the discretion of the Council, where the water consumption of an indigent household exceeds the limit agreed upon.
- 2.2.3 The consumer agrees in writing that all electricity provided over and above the 50 free units will be paid in full on a monthly basis, and where a consumer defaults in payment the supply of electricity will be discontinued until such time that the arrears as well as the reconnection fee has been paid in full. The consumer also agrees that the demand will be restricted to 20 Ampere and/or the monthly prepaid electricity sales be limited.

3. INDIGENT HOUSEHOLD ARREARS

- 3.1 Consumers will be liable for all arrears accrued before the commencement of the indigent contract. Arrangement must be made to pay all outstanding amounts through the signing of the acknowledgement of debt form.
- 3.2 Each household subsidised in terms of this policy will be required to repay the arrears as follows:
 - 3.2.1 Section 17 (a) of the Credit Control and Debt Collection Policy as approved by Council will take precedence.
 - 3.2.2 Municipality may recover any arrears due on any account of a consumer registered as an indigent by means of applying the 60/40 auxiliary system of recovery where 60 percent of the amount offered will be allocated to the purchase of the electricity and 40 percent will be allocated to the arrears on the account.
 - 3.2.3 Municipality may also recover any arrears due on any account of a consumer registered as an indigent by means of applying the 40/60 auxiliary system of recovery where 40 percent of the amount offered will be allocated to the purchase of the electricity and 60 percent will be allocated to the arrears on the account
 - 3.2.4 Municipality may also recover any arrears due on any account of a consumer registered as an indigent by means of applying the 80/20 auxiliary system of recovery where 20 percent of the amount offered will be allocated to the purchase of the electricity and 80 percent will be allocated to the arrears on the account.

- 3.3 The subsidy will only be provided subject to the provision that the consumer agrees in writing that the payment of arrears will be maintained at the minimum levels specified in 3.2.1 above.

4. RE-EVALUATION OF INDIGENT REGISTER

- 4.1 The provision of this subsidy policy above will be re-assessed annually in order to ensure proper control and management of the indigent register and the payment of subsidies.
- 4.2 All clients who apply for the Indigent Grant will be scrutinised by the Indigent Register Committee.
- 4.3 Registration process will take place each year from March to June each year and notices will be distributed to all municipal offices, notice boards, municipal website and by ward councillors to encourage qualifying residents to apply.
- 4.4 The Indigent Register Committee will consists out of the Chief Financial Officer, the Manager Treasury Services, the Accountant Credit Control and Debt Collection and relevant Credit/ Client care officials. Relevant Ward Councillors will be part on an ad-hoc basis during the verification of applications process.
- 4.5 Background checks, Credit Companies and personal visits to dwellings of the applicant will form part of the process of verification of information on Registration forms. If false information is provided by the applicant it will result in immediate termination of the application;

5. THE NON-COMPLIANCE OF A HOUSEHOLD REGISTERED AS AN INDIGENT HOUSEHOLD

- 5.1 When an indigent fails to comply with the arrangements made to receive the subsidy, they will be dealt with in terms of the Council's uniform credit control procedures.
- 5.2 It may happen that even after the introduction of the indigent policy, certain households may be in arrears on the amount due by them. These consumers will have to make arrangements with the Credit Control Section of the municipality to pay off arrears owing in reasonable time, and also at the time of claiming the monthly subsidy.
- 5.3 If these arrangements have not been made, no monthly indigent subsidies will be paid and applicable services will be restricted and/or terminated.

6. WITHDRAWAL AND NON-QUALIFICATION OF INDIGENT SUBSIDY

- 6.1 The subsidy will be withdrawn at the discretion of the Council if:
 - 6.1.1 The consumer who qualifies for the subsidy fails to keep to the terms of the policy agreement; or
 - 6.1.2 If it is found that information provided and on which basis the subsidy was provided was incorrect or fraudulent;
 - 6.1.3 Any tampering with the installations of the Council is detected.
- 6.2 The subsidy will not apply in respect of households owning more than one property.
- 6.3 Subsistence allowance/subsidy will be provided for the payment of electricity supply to a maximum as determined by Council. Where a consumer is provided with conventional electricity by the municipality, the consumer agrees to the installation of a prepaid electricity meter where one has not already been installed.
- 6.4 The subsidy on electricity consumption as determined by council must be implemented by the Council with the electricity operating budget.
- 6.5 Subsidy will not be applicable to a property exceeding the value determined by council

7. WHEN WILL THE SUBSIDY BE PAID

- 7.1 The subsidy will be paid automatically into the consumers account when the Debtors Section of the municipality levies or runs the monthly services accounts.
- 7.2 If the consumer does not make the necessary application for the subsidy by completing the official Indigent Support registration forms, he/she will be fully responsible for the payment of the total account, and on non-payment thereof, will be discontinued.
- 7.3 The indigent register will be compiled using the principle of self targeting; consumers must apply at the office to be registered as an indigent. Where consumers cannot commute due to health reasons, the social services department of the council will visit the consumer at his/her residential address.
- 7.4 The accounts of the indigent will be credited with the subsidies once payments, as agreed with the Credit Control Section have been received.
- 7.5 In cases where consumers cannot commute due to health reasons an administrative process will be implemented to accommodate the class of consumer, such household must be visited every six months to confirm the circumstances.

8. PROCEDURE OF APPROVAL TO INDIGENT APPLICATIONS

- 8.1 The applicant must complete the application form and the necessary documentation, viz. Copy of ID of applicant and that of spouse is attached; affidavit regarding unemployed status; and or All Pay registration verification.
- 8.2 All approved applications will be enlisted in the municipality's Indigent Register and kept safely on file for audit.

9. MUNICIPAL OFFICIAL RESPONSIBLE FOR THE APPLICATION OF THE INDIGENT POLICY

The municipal official responsible for the application of the Indigent Policy is Mr Nico Smit, telephone number 027 482 8000

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ANNEXURE A – LIST OF INDIVIDUALS AND STAKEHOLDERS THAT CONTRIBUTED TO THE DEVELOPMENT OF THE INDIGENT POLICY

Name	Organisation	Title
Nico Smit	Cederberg Municipality	Revenue Manager

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